

# Nomura Equity Trend Indices – Index Rulebook

27 May 2021

For further information, including the risks in relation to the Indices, please see the Index summary disclosures document for this Index, which is to be read in conjunction with this Index Rulebook (together, the “Index Description”).

## Index Determination

<b>Index Sponsor</b>	Nomura International plc (“NIP”) who is responsible for the administration of the Index.
<b>Index Start Date</b>	For each index of the Nomura Trend Indices, the relevant start date as set out in the Index Specifications Table in the Appendix.
<b>Index Live Date</b>	29 May 2020
<b>Index<sup>z</sup></b>	Each index of the Nomura Equity Trend Indices, which is built using the methodology described in this rulebook.
<b>Level of Index<sup>z</sup><sub>t</sub></b>	The level of the Index in respect of Index Business Day t, for Index z as defined in Index Specifications Table
<b>Index<sup>z</sup><sub>t</sub></b>	For any Index Business Day t, Index <sup>z</sup> <sub>t</sub> shall be equal to:

$$\text{Index}_t^z = \text{Index}_{t-1}^z + \sum_j \sum_{t-1 < k \leq t} \text{Index}_{t, \text{Reset}}^{z,j} \times w^{z,j} \times \text{Return}_k^j$$

Where

t-1 denotes the Index Business Day immediately preceding Index Business Day t,

w<sup>z,j</sup> is defined in Index Specifications Table,

∑<sub>j</sub> is taken over all Sub-Index<sup>j</sup> excluding those that are not marked as Applicable Sub-Index as defined in the Sub-Index Specifications Table,

∑<sub>t-1 < k ≤ t</sub> is taken over all weekdays from and excluding Index Business Day t-1 to and including Index Business Day t

Index<sup>z</sup><sub>t</sub> for Index<sup>z</sup><sub>Start Date</sub> = 100, and

Index Start Date with respect to each Index<sup>z</sup> is defined in the Index Specifications Table.

**Index<sup>z,j</sup><sub>t,Reset</sub>**

For each Index<sup>z</sup> and Sub-Index<sup>j</sup>, with respect to each weekday t that is a Sub-Index<sup>j</sup> Trading Business Day

The Level of Index<sup>z</sup><sub>t</sub> on a day that is one Index Business Days prior the last London Business Day of the calendar month immediately preceding Index<sup>z,j</sup> Reset Date immediately preceding weekday t.

With respect to any other weekday t

$$\text{Index}_{t, \text{reset}}^{z,j} = \text{Index}_{t-1, \text{reset}}^{z,j}$$

Where

t-1 denotes the weekday immediately preceding weekday t.

**Return<sup>j</sup><sub>t</sub>**

With respect to each weekday t that is a Sub-Index<sup>j</sup> Trading Business Day

For j = 1, 2 and 4

$$\text{Return}_t^j = \text{Position}_{t-1}^j \times \text{Sub-Index Daily Return}_t^j - \text{Trading Charge}_t^j$$

For j = 3 and 5

$$\text{Return}_t^j = \text{Position}_{t-1}^{j-1} \times \text{Sub-Index Daily Return}_t^j - \text{Trading Charge}_{t-1}^{j-1}$$

With respect to any other weekday t

$$\text{Return}_t^j = 0$$

Where

t-1 denotes the Sub-Index<sup>j</sup> Trading Business Day immediately preceding Index Business Day t.

### Index Position

**Position<sub>t</sub><sup>j</sup>**

With respect to each weekday t that is a Sub-Index<sup>j</sup> Trading Business Day  
[Formula to measure Position]

**Daily Signal<sub>t</sub><sup>j</sup>**

With respect to each weekday t  
[Formula to measure Daily Signal]

**Daily Volatility Scale<sub>t</sub><sup>j</sup>**

With respect to each weekday t  
[Formula to measure Daily Volatility Scale]

**Volatility<sub>t</sub><sup>j,x,y</sup>**

With respect to each weekday t  
[Formula to Volatility]

**Return<sub>t</sub><sup>j,x</sup>**

With respect to each weekday t

$$\text{Return}_t^{j,x} = \sum_{k:t-x+1}^t \text{Sub-Index Daily Return}_k^j$$

Where

the summation is taken with respect to each weekday, and

x refers to the length of the summation window of Sub-Index Daily Return<sub>t</sub><sup>j</sup>

### Index Components

**Sub-Index Daily Return<sub>t</sub><sup>j</sup>**

With respect to each weekday t that is an Sub-Index<sup>j</sup> Trading Business Day

$$\text{Sub-Index Daily Return}_t^j = \left( \frac{\text{Sub-Index}_t^j - \text{Sub-Index}_{t-1}^j}{\text{Sub-Index}_{t,\text{reset}}^j} \right)$$

With respect to any other weekday t

$$\text{Sub-Index Daily Return}_t^j = 0$$

Where

t-1 denotes the Sub-Index<sup>j</sup> Trading Business Day immediately preceding each weekday t

**Sub-Index<sub>t</sub><sup>j</sup>**

For any Sub-Index<sup>j</sup> Trading Business Day t, the level of Sub-Index<sub>t</sub><sup>j</sup> for day t as determined by the Index Sponsor in accordance with the methodology of Sub-Index<sup>j</sup>.

**Sub-Index<sub>t,reset</sub><sup>j</sup>**

For any Sub-Index<sup>j</sup> Trading Business Day t, the level of Sub-Index<sub>t,reset</sub><sup>j</sup> for day t as determined by the Index Sponsor in accordance with the methodology of Sub-Index<sup>j</sup>.

### Index Charges

**Trading Charge<sub>t</sub><sup>j</sup>**

With respect to each weekday t that is an Sub-Index<sup>j</sup> Trading Business Day  
If Sub-Index<sup>j</sup> Trading Business Day t falls within a Roll Period<sup>j</sup>

$$\text{Trading Charge}_t^j = \left[ \left| \left( \frac{n^j - i_t^j}{n^j} \right) \times \text{Position}_t^j - \left( \frac{n^j - (i_t^j - 1)}{n^j} \right) \times \text{Position}_{t-1}^j \right| + \left| \left( \frac{i_t^j}{n^j} \right) \times \text{Position}_t^j - \left( \frac{i_t^j - 1}{n^j} \right) \times \text{Position}_{t-1}^j \right| \right] \times \text{Charge}^j$$

Otherwise

$$\text{Trading Charge}_t^j = \left| \text{Position}_t^j - \text{Position}_{t-1}^j \right| \times \text{Charge}^j$$

With respect to any other weekday t

$$\text{Trading Charge}_t^j = 0$$

Where

t-1 denotes the Sub-Index<sup>j</sup> Trading Business Day immediately preceding weekday t,

Roll Period<sup>j</sup> denotes the Roll Period<sup>j</sup> for Sub-Index<sup>j</sup> as defined in the methodology of Sub-Index<sup>j</sup>,

n<sup>j</sup> denotes the number of Sub-Index<sup>j</sup> Trading Business Days for each Roll Period<sup>j</sup>, and

i<sub>t</sub><sup>j</sup>: with respect to each Sub-Index<sup>j</sup> Trading Business Day t falls within a Roll Period<sup>j</sup>, i<sub>t</sub><sup>j</sup> denotes the number of Sub-Index<sup>j</sup> Trading Business Days from and including the first Sub-Index<sup>j</sup> Trading Business Day of the relevant Roll Period<sup>j</sup> to and including Sub-Index<sup>j</sup> Trading Business Day t.

## General Definitions

### Index<sup>z</sup> Reset Day

With respect to each Index<sup>z</sup> and Sub-Index<sup>j</sup>, the first Sub-Index<sup>j</sup> Trading Business Day of each calendar Month.

### Index Business Day

With respect to each Index<sup>z</sup>, where z = 1, 2 and 3

Sub-Index<sup>j</sup> Trading Business Day for each Applicable Sub-Index<sup>j</sup> to Index<sup>z</sup>

With respect to any other Index<sup>z</sup>

Each London Business Day

### Index Trading Business Day

With respect to each Index<sup>z</sup>, where z = 1, 2 and 3

Each Index Business Day

With respect to any other Index<sup>z</sup>

A day that is a Sub-Index<sup>j</sup> Trading Business Day for each Applicable Sub-Index<sup>j</sup> to Index<sup>z</sup>

### Sub-Index<sup>j</sup> Trading Business Day

With respect to each Sub-Index<sup>j</sup> as defined in the Instrument Specifications Table, Index Trading Business Day for Sub-Index<sup>j</sup> as determined by the Index Sponsor in accordance with the methodology of Sub-Index<sup>j</sup>.

### London Business Day

A day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

### Index Publication

With respect to each Index Business Day, the Rounded Index Level will be published to the Index Price Source specified in the Index Specifications Table.

### Rounded Index Level

Rounded Index Level means the Index Level (Index<sub>t</sub><sup>z</sup>) rounded to the nearest number decimal places specified in the Index Specifications Table.

## Disruption Provisions

### Index Adjustment

If, due to the occurrence of an error (i) in relation to the calculation or publication of the level of the Index, or (ii) in the method for determining the Index, the Index Sponsor has determined on any day (an "Adjustment Determination Date") that an adjustment to the Index is necessary in order to correct such error (an "Index Adjustment"), then the Index Sponsor will make such corresponding adjustments

to the Index as it deems necessary, if any, in order to reflect the Index Adjustment (in each case in accordance with the principles and methodology of the Index).

The Index Sponsor may correct errors in accordance with Appendix 2, Section 13 of the Control Framework Summary (“Correction of Errors”) and Appendix 2, Section 15 (“Changes to Methodology”) where remediation requires change to the Index methodology.

#### Consequences of Sub-Index Correction

If in a relation to a Sub-Index, at any time the Index Sponsor of that Sub-Index corrects the level or value of a Sub-Index subsequent to publication, the Index Sponsor will make all calculations and determinations in respect of the Index by reference to such corrected level of the Sub-Index.

#### Index Disruption

If, on any day an Index Disruption Event has occurred or is occurring in respect of a Sub-Index or the Index, including in respect of any Index Component utilised to calculate the level of the Sub Index or Index on any day, then the Index Sponsor may take one or more of the following actions in its discretion, with a view to preserving the objective of the Sub-Index or Index (regardless of whether or not a level of the affected Sub-Index or Index has been published by the Index Sponsor in respect of such day):

- (i) delay or postpone rebalancing and/or calculation of such affected Index Component (an “**Index Determination Date**”) until the relevant Index Disruption Event no longer exists, *provided that*, if such Index Disruption is continuing on the 5th Index Business Day following any such Index Determination Date (the “**Delayed Index Determination Date**”), then the Index Sponsor will determine the level of the relevant Index Component in respect of such Index Determination Date as of on the related Delayed Index Determination Date in accordance with (iii) below;
- (ii) not calculate and publish the Index level for such day or delay the publication;
- (iii) determine the level of the affected Index Component in respect of such relevant, in its sole discretion, and acting in a commercially reasonable manner (regardless of whether or not a level of any such affected Index Component has been published by the Price Source in respect of such day) having regard to the standard of input data quality for the Sub-Index or Index as determined by the Index Sponsor during the design of the Index, as set out in Appendix 2, Section 6 of the Control Framework Summary (“Data Sufficiency and Hierarchy of Input Data”); and/or
- (iv) make any adjustments to the Index methodology to account for the relevant Index Disruption Event as it deems necessary.

#### Index Disruption Event

The determination by the Index Sponsor in its sole discretion that one or more of the following events (each an “**Index Disruption Event**”) has occurred:

In respect of the Index:

- a. the material suspension of, a material limitation imposed on, or the cessation of the trading in any Index Component;
- b. the failure of any Price Source to announce or publish any relevant price, level, rate or other data necessary for the determination of any Index Component;
- c. the level published on any Price Source in relation to any price, level, rate or other data necessary to determine any Index Component is significantly different to the level of such data prevailing in the market;
- d. a material change by the Price Source in the content, composition, constitution of, or in the formula for or method of calculating (a “**Material Change**”) any Index Component (including where any such Material Change is due to an amendment or other modification to the rules and/or regulations of the Price Source);
- e. the failure of any Price Source to open for trading during a scheduled trading session, or the early closure thereof (without 48 hours prior notice to the market);
- f. the occurrence of any event or circumstance which generally prevents, disrupts or impairs the ability of market participants in general to enter into transactions or obtain market values of the type which would be required to implement the Index in a commercially reasonable manner (including, without limitation, a

significant widening in the bid/offer and/or a significant reduction in liquidity in an Index Component);

- g. in respect of an Index Component or the Index, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstances beyond the Index Sponsor's reasonable control which prevents, disrupts, or impairs the ability of the Index to achieve its economic objective, the prompt or accurate determination of the level of the Index, and/or the ability of the Index Sponsor or Index calculation agent to perform its role in respect of the Index; or
- h. any other event or circumstance that, in the opinion of the Index Sponsor, prevents, disrupts or impairs the ability of the Index to achieve its economic objective or the prompt or accurate determination of the level of the Index, or any other event or circumstance which causes the Index Sponsor to reasonably conclude that as a consequence of such event or circumstance, if the level of the Index were to be determined, it should not be relied upon to represent the market or economic reality that the Index is intended to measure.

Means in respect of a Sub-Index:

- (i) any of the events or circumstances as specified in the in the disruption section in the relevant Index Description of such Sub-Index (as maybe amended and updated from time to time by the Sub-Index Sponsor of such Sub-Index), occurs or exists in relation to a Sub-Index and its components (including, without limitation, any index adjustment, index modification or index disruption); and/or
- (ii) the Sub-Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a Sub-Index or in any other way materially modifies or announces that it will materially modify a Sub-Index; and/or
- (iii) on any relevant date on which an Index determination is scheduled to occur, the Sub-Index Sponsor fails to calculate and announce a Sub-Index; and/or
- (iv) on any relevant date on which an Index determination is scheduled to occur, the Sub-Index Price Source fails to publish a level for a Sub-Index.

**For Equity Instruments:**

**"Index Disruption Event"** Means (A) the occurrence or existence of a Reference Asset Disruption or Price Source Disruption (B) with respect to an Index Component (i) if on any Scheduled Trading Day a relevant Exchange fails to open for trading during its regular trading session or (ii) the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, in each case at any time during the one hour period that ends at the relevant Scheduled Closing Time (or the actual closing time if earlier), in each case at any time during the one hour period that ends at the relevant Scheduled Closing Time (or the actual closing time if earlier) or (c) an Early Closure, which in either case the Index Sponsor determines is material or (C) the occurrence or existence of Intervening Circumstances; or (D) an Index Frustration Event.

**Reference Asset** means with respect to each Equity Instrument (as specified in the Index Specification table) the relevant underlying index.

**Reference Asset Disruption** means, on a Scheduled Trading Day, the Reference Asset Sponsor or, if applicable, the Successor Reference Asset Sponsor, fails to calculate and announce the Reference Asset.

**Reference Asset Sponsor** means as specified in the Index Specification table.

**Price Source Disruption** means. the failure of any Price Source to announce or publish any relevant price, level, rate or other data necessary for the determination of any Index Component.

**Exchange Disruption** means any event (other than Early Closure) that disrupts or impairs (as determined by the Index Sponsor) the ability of market participants in general to effect transactions in, or to obtain market values for an Index Component on the Exchange.

**Exchange** means in respect of an Index Component each exchange or principal trading market if any on which such Index Component is principally traded or quoted, as determined by the Index Sponsor and any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the relevant Index Component has temporarily relocated (provided that the Index Sponsor has determined that there is comparable liquidity relative to such Index Component on such temporary substitute exchange or quotation system as on the original Exchange)

**Exchange Business Day** means any Scheduled Trading Day on which the relevant Exchange is open for trading during its respective regular trading sessions, notwithstanding such Exchange closing prior to its Scheduled Closing Time.

**Trading Disruption** means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the relevant Index Component.

**Early Closure** means the closure on any Exchange Business Day of the relevant of the Exchange prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange(s) at least one hour prior to (i) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day or, if earlier, (ii) the submission deadline for orders to be entered into such Exchange system for execution at the Index Component Trading Time on such Exchange Business Day.

**Intervening Circumstances** exist or occur where the Index Sponsor determines that a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstances beyond its reasonable control exists, has occurred or is occurring in respect of an Index Component or the Index, and which prevents, disrupts, or impairs the ability of the Index to achieve its economic objective, the prompt or accurate determination of the level of the Index, and/or the ability of the Index Sponsor or Index calculation agent to perform its role in respect of the Index.

**Index Frustration Event** means any event or circumstance other than as listed in (A), (B), (C) of Index Disruption Event above that, in the opinion of the Index Sponsor, prevents, disrupts or impairs the ability of the Index to achieve its economic objective or the prompt or accurate determination of the level of the Index, or any other event or circumstance which causes the Index Sponsor to reasonably conclude that as a consequence of such event or circumstance, if the level of the Index were to be determined, it should not be relied upon to represent the market or economic reality that the Index is intended to measure.

## Index Modification

Upon the occurrence of an Index Modification Event the Index Sponsor may:

(i) remove or replace such affected Index Component an alternative futures or options contract, currency, rate, variable or other component (a “**Replacement Index Component**”) which, in its sole determination, is consistent with the objective of the Index and, where possible, is of the same or equivalent standard of quality as any input data and/or price source used prior to the occurrence of the Index Modification Event, having regard to the standard of input data quality for the Index as determined by the Index Sponsor during the design of the Index, as set out in Appendix 2, Section 6 of the Control Framework Summary (“Data Sufficiency and Hierarchy of Input Data”) and/or

(ii) make such other adjustment(s) that it deems appropriate to preserve the objective of the Index, taking into account the relevant Index Modification Event . If the Index Sponsor determines that no such adjustment(s) would preserve the objective of the Index, would result in the use of input data which is not of the same or equivalent standard of quality as any input data and/or price source used in the Index prior to the occurrence of the Extraordinary Event, and/or is economically, operationally, legally or otherwise not feasible (after using commercially reasonable efforts) (“**Index Modification Failure**”) it may cancel the Index in accordance with the Index Cancellation provisions below.

The Index Sponsor may refrain from publishing the Index until the Index Modification Event ceases to exist.

For the purpose of the removal or replacement of any affected Index Component, the Index Sponsor shall make any other adjustments to the Index to account for the price or value of the affected Index Component at the time of its removal and any related charges, fees or taxes as well as the cost to the Index Sponsor for implementing any Replacement Index Component.

The Index Sponsor may modify the Index in accordance Appendix 2, Section 15 of the Control Framework Summary (“Changes to Methodology”).

## Index Modification Event

### For any Index Component:

An “**Index Modification Event**” shall be deemed to have occurred if:

- a. the Index Sponsor determines, in its sole discretion, that an Index Component
  - (i) is no longer available (whether due to a permanent discontinuation of trading, disappearance or otherwise) or
  - (ii) has been the subject of a Material Change in a manner which has or will have a material adverse effect on the Index achieving its stated objective; or
- b. the Index Sponsor determines, in its sole discretion, that the level published on any Price Source in relation to any price, level, rate or other data necessary to determine any Index Component
  - (i) is discontinued, so as to materially affect the Index calculation or

- (ii) is repeatedly different to a significant extent from the level of such data prevailing in the market or
- (iii) no longer accurately and reliably represents the market and economic reality purported to be measured by that data;

each as determined by the Index Sponsor acting in good faith and in a commercially reasonable manner;

- c. an Input Data Decline Event has occurred;
- d. an Extraordinary Event has occurred;
- e. a Sub-Index Modification Event has occurred.

**Further for Equity Instruments:**

**“Index Modification Event”** Means the existence or occurrence of an (i) Additional Trading Disruption Event (ii) Reference Asset Modification, (iii) Reference Asset Cancellation, (iv) Input Data Decline Event or (v) Extraordinary Event.

**Additional Trading Disruption Event** means with respect to an Index Component, the occurrence of any of the following that the Index Sponsor (in its sole and absolute discretion) considers material:

- (a) an Index Component is no longer available (whether due to a permanent discontinuation of trading, cancellation, disappearance or otherwise);
- (b) on any Scheduled Trading Day, the occurrence or existence of a lack of, or a material decline in, the liquidity in the market for trading in any Index Component;
- (c) any event or any condition (including without limitation any event or condition that occurs as a result of the enactment, promulgation, execution, ratification, interpretation or application of, or any change in or amendment to, any law, rule or regulation by an applicable governmental authority) that results in an illiquid market for trading in any Index Component.

**“Reference Asset Modification”** means, on or prior to any Scheduled Trading Day, the Reference Asset Sponsor announces that it will make a material change in the formula for or the method of calculating the Reference Asset or in any other way materially modifies the Reference Asset (other than a modification prescribed in the formula or method to maintain the Reference Asset in the event of changes in its constituents, capitalisation and other routine events).

**“Reference Asset Cancellation”** means, on or prior to any Scheduled Trading Day, the Reference Asset Sponsor permanently cancels the Reference Asset or announces its intention to permanently cancel the Reference Asset or that it will no longer calculate and announce (including through an agent, if applicable) the level of the Reference Asset and in either case no Successor Reference Asset exists.

**“Input Data Decline Event”** means if the Index Sponsor determines that the input data and/or price source in relation to an Index Component used to calculate the Index is no longer sufficient to represent accurately and reliably the market and economic reality that the Index is intended to measure, or is otherwise not appropriate, or no longer meets the standard of input data quality for the Index as determined by the Index Sponsor during the design of the Index, as set out in Appendix 2, Section 6 of the Control Framework Summary (“Data Sufficiency and Hierarchy of Input Data”).

**Extraordinary Event**

means in respect of any Index Component means any Change in Law, Instrument Disruption and/or Increased Cost of Index Implementation.

**Change in Law** means that, on or after the Index Live Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Index Sponsor determines in good faith that (x) it has become illegal to hold, acquire or dispose of an Sub-Index component, or (y) there is a materially increased cost of trading in a Sub-Index component for the Index Sponsor or its affiliates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

**Instrument Disruption** means that the Index Sponsor or any of its affiliates or agents is unable, or it is impractical, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to implement the Index, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), including, without limitation, where such inability or impracticability has arisen by reason of any restriction on making new or additional investments in any Index Component.

**Increased Cost of Index Implementation** means that the Index Sponsor or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Effective Date) amount of tax, duty, expense or fee to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to implement the Index, or (ii) realise, recover or remit the proceeds of any transaction(s) or asset(s).

**Sub-Index Modification Event**

means an "Index Modification Event" in respect of the relevant Sub-Index as specified in the in the disruption section in the relevant Index Description of such Sub-Index (as maybe amended and updated from time to time by the Sub-Index Sponsor of such Sub-Index).

**Consequences of a Sub-Index Cancellation**

If upon the occurrence of a Sub-Index Cancellation there is a Successor Sub-Index then such Successor Sub-Index shall be deemed to be the relevant Sub-Index and the Index Sponsor may make such adjustment(s) to the Index methodology that it determines appropriate, in order to account for the effect of the replacement of that Sub-Index with the Successor Sub-Index.

If a Sub-Index Cancellation occurs for a period of fifteen (15) Index Business Days measured from the first day of such Sub-Index Cancellation and as at the end of such period of time there is no Successor Sub-Index ("**Sub-Index Replacement Failure**"), then the Index Sponsor may

- a) remove the cancelled Sub-Index and make such adjustment(s) to the Index methodology that it determines appropriate, in order to account for the effect of such removal of the cancelled Sub-Index, or
- b) cancel the Index in accordance with the Index Cancellation provisions below.

**Index Cancellation**

The Index Sponsor may permanently cancel and discontinue calculating and publishing the Index, in accordance with Appendix 2, Section 17 of the Control Framework Summary ("Termination of Indices and Transitional Arrangements"), including upon the occurrence of:

- (a) Sub-Index Replacement Failure; and/or
- (b) an Index Modification Failure.

**Price Source**

means, in respect of an Index Component, the publication, page (or any other origin of reference, including an exchange) containing (or reporting) the prices, levels, rates or other data utilised by the Index Sponsor for such Index Component. References to Price Source shall be construed as referring also to any successor publication, page or source on which the relevant prices, levels, rates or other data for a Index Component may be disseminated, as determined by the Index Sponsor at its sole discretion and acting in a commercially reasonable manner.

**Index Component**

means, in respect of the Index, each underlying component index, futures contract, currency, rate, variable or other component necessary in order to determine a level of the Index in each case, in line with the then existing methodology of the Index.

**Sub-Index Component**

means, in respect of a Sub-Index, each underlying component Index, futures contract, currency, rate, variable or other component necessary in order to determine a level of such Sub-Index, in each case, in line with the then existing methodology of the Sub-Index.

**Sub-Index Sponsor**

means Nomura International plc ("NIP"), who is responsible for the administration of the relevant Sub-Index.

**Sub-Index Price Source**

means, in respect of a Sub-Index, the relevant Bloomberg page as specified in Sub-Index Specifications Table under the column headed "Sub-Index Price Source" in the row corresponding to such Sub-Index. References to Sub-Index Price Source shall be construed as referring also to any successor publication, page or source on which the relevant Sub-Index levels may be disseminated, as determined by the Index Sponsor in its sole discretion and acting in a commercially reasonable manner.



<b>Sub-Index Cancellation</b>	means, that a Sub-Index is permanently cancelled or the relevant Sub-Index Sponsor announces (including through an agent, if applicable) its intention to permanently cancel a Sub-Index or its intention to cease to calculate and announce a level for a Sub-Index.
<b>Successor Sub-Index</b>	means a successor or replacement index using, in the determination of the Index Sponsor, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Sub-Index or, if non, a replacement with the same or similar investment objective as the Sub-Index and that is acceptable to the Index Sponsor.

## ADDITIONAL INFORMATION IN RESPECT OF THE INDEX METHODOLOGY

<b>Governance Policy and Control Framework</b>	The Index Sponsor has established a governance framework (the “ <b>Governance Policy and Control Framework</b> ”) to ensure compliance with UK BMR <sup>1</sup> and the IOSCO Principles and any related measures and applicable FCA rules (each as amended or replaced from time to time) <sup>2</sup> . The Governance Policy and Control Framework governs (amongst other things) the development, determination and operation of indices administered by the Index Sponsor. A summary of the Governance Policy and Control Framework (the “ <b>Control Framework Summary</b> ”) is published on: <a href="http://www.nomuranow.com/portal/site/nnextranet/en/global-markets/structured-derivatives/quant-investment-strategies.shtml">www.nomuranow.com/portal/site/nnextranet/en/global-markets/structured-derivatives/quant-investment-strategies.shtml</a> . Please refer to the summary of the Governance Policy and Control Framework in respect of the following information applying to the Index methodology:
<b>Criteria for Index Development and Input Data and Source Selection</b>	The criteria and procedures used to develop this Index, and for selecting the sources of data inputs used in the Index, are set out in Appendix 2, Section 3 of the Control Framework Summary (“Index Design and Creation of New Indices”) and Appendix 2, Section 6 (“Data Sufficiency and Hierarchy of Data Inputs”).
<b>Exercise of Expert Judgment and discretion</b>	The Index Sponsor has adopted guidelines and procedures designed to promote consistency in the exercise of Expert Judgment and discretion for Index determinations. Further details are contained in Appendix 2, Section 14 of the Control Framework Summary (“Expert Judgment and Discretion”).
<b>Input Data Type Priority</b>	The Index Sponsor applied the hierarchy for data inputs as set out in Appendix 2, Section 6 of the Control Framework Summary (“Data Sufficiency and Hierarchy of Data Inputs”) when considering the data inputs used to construct the Index.
<b>Index Error Reports and Revision</b>	The Index Sponsor has adopted procedures for analysis and remediation of Index errors, and for potential restatement of a published Index level. Further details are contained in Appendix 2, Section 13 of the Control Framework Summary (“Correction of Errors”) and Appendix 2, Section 15 (“Changes to Methodology”) where remediation requires change to the Index Methodology.
<b>Quantity and Quality of Input Data</b>	<p>The Index is constructed by the Index Sponsor using single prices or levels prescribed by the Index Methodology. The Index Sponsor therefore considers that the requirement to determine the thresholds of the quantity of data inputs, necessary to determine the Index accurately and reliably, has been met.</p> <p>The Index Sponsor determines the standards of quality of the data inputs used in this Index at the design stage of the Index in accordance with Appendix 2, Section 6 of the Control Framework Summary (“Data Sufficiency and Hierarchy of Data Inputs”). These standards are reflected in the Index Methodology, as described in this Rulebook. The Index Sponsor will review these standards and the data inputs on a periodic basis in accordance with Appendix 2, Section 16 of the Control Framework Summary (“Periodic Review of Indices”) and in the full policies and procedures available on the Index Sponsor’s public website, to ensure that the data inputs used continue to be of sufficient quality to determine the Index accurately and reliably, and will accordingly determine whether an Index Modification Event has occurred.</p>
<b>Internal Reviews of the Index</b>	The Index Sponsor is required to conduct internal reviews of the Index on a periodic basis. Further details regarding the frequency of those reviews, the procedures to be followed, and the bodies or functions within the Index Sponsor’s organisational structure involved in such reviews, are contained in Appendix 2, Section 16 of the Control Framework Summary (“Periodic Review of Indices”) and in the full policies and procedures available on the Index Sponsor’s public website.

<sup>1</sup> UK BMR means the United Kingdom Benchmark Regulation which comprises Regulation (EU) 2016/1011 (“**EU BMR**”) as amended by Regulation (EU) 2019/2089 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks insofar as they are applicable in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 and other United Kingdom legislation which implements and amends retained European Union law in the United Kingdom including, but without limitation, the Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019, SI 2019/657.

<sup>2</sup><https://www.iosco.org/library/pubdocs/pdf/IOSCOPD415.pdf> . The Governance Policy and Control Framework will be periodically reviewed and has been updated to reflect the requirements of EU BMR and will be updated in due course to reflect the requirements of UK BMR as well as related measures and applicable FCA rules.

Reviews will further be conducted where the Index Sponsor considers it desirable or necessary to do so, including in response to specific events or otherwise. Specific events may include (without limitation) any index errors, index disruptions, or other index life-cycle events; changes in market circumstances; changes in the applicable legal or regulatory environment; any challenges or complaints or other feedback from stakeholders, and/or any material audit findings. Further information regarding the procedures to be followed in response to certain specific events, and the bodies or functions within the Index Sponsor's organisational structure involved in such reviews, can be found in Appendix 2, Sections 13 ("Correction of Errors"), 14 ("Expert Judgment and Discretion"), 15 ("Changes to Methodology"), 19 ("Complaints Handling Policy"), 21 ("Audits"), and any other sections of the Control Framework Summary which may be relevant from time to time.

**Index Approval**

The criteria and procedures used to approve the Index, and the bodies or functions within the Index Sponsor's organisational structure involved in such approval, are set out in Appendix 3 of the Control Framework Summary ("Main Features of Index Committee Constitution and Terms of Reference") and Appendix 2, Section 3 ("Index Design and Creation of New Indices").

**Investor Consultation upon Index termination and material changes to the Index methodology**

The Index Sponsor is required to consult investors of index linked products when proposing material changes to the Index methodology and termination of the Index. Further details on the circumstances and procedures under which consultation takes place are contained in Appendix 2, Section 15 of the Control Framework Summary ("Changes to Methodology"), Appendix 2, Section 17 ("Termination of Indices and Transitional Arrangements") and in the full policies and procedures available on the Index Sponsor's public website.

**Active Market of the Index**

As of the date of this Index Description, the Index Sponsor considers the underlying market of the Index to be active, in accordance with in Appendix 2, Sections 3 ("Index Design and Creation of New Indices and Methodologies") of the Control Framework Summary.

**Outsourcing of Index Determination**

The Index Sponsor has outsourced certain IT, Quants, Middle Office and Structuring functions to Nomura Structured Finance Services (India) Private Limited subject to a corporate service agreement between the entities. Further details are contained in Appendix 2, Section 1 of the Control Framework Summary ("Oversight of Third Parties").

**Environmental social and governance (ESG) Factors**

The Index Sponsor has established a statement on ESG factors ("**ESG Statement**") to ensure compliance with UK BMR which requires an explanation of how ESG Factors are reflected in the key elements of the benchmark methodology in respect of Credit Indices, Equity Indices and Multi-Asset Indices which are comprised of Credit and/or Equity Indices.

The Index (and any Sub-Index, if applicable) does not pursue ESG objectives or take into account ESG factors. For full details, please see the ESG Statement for the relevant Benchmark family for the Index (and any Sub-Index, if applicable) as specified in the table below at this website:

<https://www.nomuranow.com/portal/site/nnextranet/en/global-markets/structured-derivatives/quant-investment-strategies.shtml>.

i	Benchmark Family	Corresponding ESG Statement
1	Nomura FX Indices	Not applicable
2	Nomura Interest Rates Indices	Not applicable
3	Nomura Commodity Indices	Not applicable
4	Nomura Equity Indices	Equity Indices
5	Nomura Credit Indices	Credit Indices
6	Nomura Multi Asset Indices	In respect of Nomura Multi Asset Indices which are comprised of Credit and/or Equity Indices: Multi Asset Indices  In respect of Nomura Multi Asset Indices which are not comprised of Credit and/or Equity Indices: Not applicable

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Nothing in this disclaimer shall exclude or limit liability to the extent such exclusion or limitation is not permitted by law or regulation to which the Index Sponsor is subject.

## Appendix

### Index Specifications Table

z	Index <sup>2</sup>	Index Price Source (Bloomberg page)	Applicable Sub-Index <sup>j</sup> (j)	w <sup>z,j</sup>	Index Start Date	Rounding
1	Nomura S&P 500 E-mini Trend Index	NMEQTES Index	1	Weight	Start Date	3 d.p.
2	Nomura Euro STOXX 50 Trend Index	NMEQTVGU Index	3	Weight	Start Date	3 d.p.
3	Nomura Nikkei 225 Trend Index	NMEQ1NIU Index	5	Weight	Start Date	3 d.p.
4	Nomura Equity G3 Trend Index	NMEQTG3 Index	*	*	Start Date	3 d.p.

\* Refer to Index Specifications Weight Table

### Index Specifications Weight Table

j	Sub-Index <sup>j</sup>	w <sup>z,j</sup> *
<b>z = 4</b>		
1	Nomura S&P 500 E-mini Futures Index	Weight
3	Nomura Euro STOXX 50 Futures Index in USD	Weight
5	Nomura Nikkei 225 Futures Index in USD	Weight

\* Applicable sub-indices are those where the Sub-Index<sup>j</sup> weights are not set as n/a in the table above.

### Sub-Index Specifications Table

j	Equity Future	Sub-Index	Bloomberg page	Target Volatility <sup>j</sup>	Volatility Scale Cap <sup>j</sup>	Charge <sup>j</sup> (%)
1	E-mini S&P 500	Nomura S&P 500 E-mini Futures Index	NMEQES1 Index	Target Volatility	Volatility Scale	Charge
2	Euro STOXX 50	Nomura Euro STOXX 50 Futures Index	NMEQVG1 Index	Target Volatility	Volatility Scale	Charge
3	Euro STOXX 50	Nomura Euro STOXX 50 Futures Index in USD	NMEQVG1U Index	na	na	na
4	SGX Nikkei	Nomura Nikkei 225 Futures Index	NMEQN11 Index	Target Volatility	Volatility Scale	Charge
5	SGX Nikkei	Nomura Nikkei 225 Futures Index in USD	NMEQN11U Index	na	na	na

## Backtest Assumptions

### Start Date

With respect to the “Nomura Equity G3 Trend Index” ( $z = 4$ ), the exposure to each underlying equity started on the same date as the respective equity trend Indices’ Index Start Date (as stated in the Index Specifications Table). During the historical period where not all of the underlying equities were available, weight ( $w^{z,j}$ ) for the underlying equity that was not available was distributed proportionally to those available at the time such that the sum of weight across all equities add up to 100%.

### Index $_{t,reset}^{z,j}$

With respect to each Index $^z$  prior to the respective Index Start Date, Index $_{t,reset}^{z,j}$  is equal to Index $_{Start Date}^z$ .

### Daily Signal $_t^j$

With respect to the calculation of Daily Signal $_t^j$  in the historical backtest:

- i) For periods where there are less than Days data points required for calculating Volatility $_t^{j,x,Days}$ , the calculation occurred and utilised a minimum of Min Days data points, and extended the width of the window as more data points became available.

For periods where calculation of  $\frac{Return_t^{j,x}}{Volatility_t^{j,x,Days}}$  ratio was not possible due to unavailability of historical data, the calculation of

Daily Signal $_t^j$ , which normally take an average of the Number ratios, excluded the ratio that was unavailable and calculated the average using ratios that were available at the time.

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